

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 3, 2003

**FROM: Linda Haugan, Director
Transitional Assistance Department**

**SUBJECT: AMENDMENTS TO REVENUE CONTRACTS WITH THE CALIFORNIA
DEPARTMENT OF EDUCATION FOR CHILD CARE AND DEVELOPMENT
SERVICES FOR FISCAL YEAR 2002/2003**

RECOMMENDATIONS:

1. Approve Amendments to revenue contracts between the County (Transitional Assistance Department) and the California Department of Education for additional funding to provide child care and development services for the period of July 1, 2002 through June 30, 2003. The maximum reimbursable contract amounts are listed below:

<u>State Contract Number</u>	<u>County Contract Number</u>	<u>Program Name</u>	<u>Previous Contract Amount</u>	<u>Amount of Increase or (Decrease)</u>	<u>New Contract Amount</u>
G2AP-2049	02-789 A-1	CalWORKs General Stage 2	\$7,662,118	\$752,152	\$8,414,270
G3T0-2051	02-791 A-2	CalWORKs General Stage 3 -Time Out	\$8,909,360	(\$4,209,991)	\$4,699,369
F3T0-2051	02-792 A-1	CalWORKs Federal Stage 3 - Time Out	\$3,698,924	\$4,030,544	\$7,729,468
		Totals:	\$20,270,402	\$572,705	\$20,843,107

2. Authorize Auditor/Controller-Recorder to increase appropriations and revenues in the amount of \$486,799 in the Child Care Fiscal Year (FY) 2002/2003 budget as detailed in the Financial Impact Section (four votes required).

BACKGROUND: The Transitional Assistance Department (TAD) receives annual state and federal funding through contracts with the California Department of Education (CDE) to provide CalWORKs income eligible families with child care and development services. On July 30, 2002 the Board of Supervisors approved the contracts for FY 2002/2003.

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Record of Action of the Board of Supervisors

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Recommendation 1

On April 11, 2003, the CDE issued a notice that indicated reductions had been made to the General Stage 3 Time Out contracts and an augmentation would be made to the Federal Stage 3 Time Out contracts. Subsequent to the CDE notice, TAD received amendments from the CDE reflecting the respective revised funding amounts for these two contracts.

Federal Stage 3 Time Out programs assist former CalWORKs recipients that have fully exhausted their 24 months of eligibility for child care provided through other State and Federally funded programs. Additionally, the parent or any other adult counted in the family size must be employed, seeking employment, participating in a job training and education program, or be incapacitated, to be deemed eligible.

In May 2003, a CDE amendment was received for an augmentation for the General Stage 2 contract. General Stage 2 Alternative Payment programs assists parents who need child care services because of their participation in an approved work activity. Child care services are for children who have not reached their thirteenth birthday. Children with special needs may receive child care services through the age of eighteen.

The delayed submission of these amendments to the Board of Supervisors is a result of information included in the notice from the CDE stating that contract amendments for Stage 3 budget changes did not need to be signed since the budget revisions were mandated so late in the fiscal year. However, upon further clarification from the CDE contract representative, TAD was advised that all contract amendments must still be processed and signed. Approval of these amendments will allow the County to continue to provide child care and development services for those clients who meet the stated criteria for the respective programs.

REVIEW BY OTHERS: These amendments have been reviewed by County Counsel (Julie Surber, Deputy County Counsel) on May 16, 2003 and by the HSS Contract Compliance Designee (Lori Ciabattini, HSS Contracts Administrator) on May 14, 2003. This item has been reviewed by HSS Finance (Kristin Letterman, Administrative Manager) on May 20, 2003 and the County Administrative Office (Gary Morris, Administrative Analyst) on May 20, 2003.

FINANCIAL IMPACT: These amendments adjust the contracts as follows:

<u>Program Name</u>	<u>Previous Contract Amount</u>	<u>Amount of Increase or (Decrease)</u>	<u>New Contract Amount</u>
CalWORKs General Stage 2	\$7,662,118	\$752,152	\$8,414,270
CalWORKs General Stage 3 -Time Out	\$8,909,360	(\$4,209,991)	\$4,699,369
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FOR CHILD CARE AND DEVELOPMENT SERVICES FOR FISCAL YEAR 2002/2003**

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The total net increase of the contracts is \$572,705 from \$20,270,402 to a new total of \$20,843,107. The increase is allocated between two budget units: 85% (\$486,799) to the ETP budget unit (child care) and 15% (\$85,906) to the DPA budget unit (administrative claim). Sufficient revenue and appropriations exist in the DPA budget therefore this budget unit does not need to be adjusted by \$85,906. Appropriations and revenues of \$486,799 have not been included in the Child Care (AAA ETP) FY 2002/2003 budget. The CDE contracts and augmentations are 100% state and federally funded. There is no local cost to the County.

Recommendation 2

Authorize the Auditor/Controller-Recorder to make the following changes to the AAA ETP (child care) FY02/03 budget:

Appropriation:

Fund	Dept	Org	Object	Description	<u>Amount</u>
AAA	ETP	ETP	3205	Public Assistance	\$ 486,799
				Total	\$ 486,799

Revenue

<u>Fund</u>	<u>Dept</u>	<u>Org</u>	<u>Appr.</u>	<u>Description</u>	<u>Amount</u>
AAA	ETP	ETP	9010	Federal Aid for Children	\$ 3,425,962
AAA	ETP	ETP	8665	State Aid for Children	\$(2,939,163)
				Total	\$ 486,799

SUPERVISORIAL DISTRICTS: All

PRESENTER: Linda Haugan, Director, Transitional Assistance Department, (909) 388-0236

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